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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

D-97 January 31, 1935

# WORLD DAIRY PROSPECTS

Imports of butter have begun to be attracted to United States markets. Small lots have already arrived and more considerable shipments are now afloat and in prospect. For some months there have been indications that foreign supplies would be attracted to our markets to supplement our light production and low storage stocks.

World supplies converging on the British markets reached a new record in volume this year, Great Britain having imported a total of 1,087,000,000 pounds in 1934. While this was an increase in quantity over 1933 of 10 percent, the total import value was actually less. Germany took slightly more foreign butter in 1934 than in 1933 but the total quantity absorbed by that market was still only slightly above the old prewar volume. Production during the current season has been better maintained in Australia than in New Zealand, but together the output in these countries has exceeded that of the previous season to date.

Price margins between New York and London have widened steadily since last summer until, during December and January, the difference averaged well above the amount of our import duty of 14 cents per pound. This is indicated on page 2 by a comparison of prices of finest New Zealand butter in London as cabled for 1 day each week with New York prices on 92 score butter for the same days.

Price margins widen

| | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. |
|---|---|---|---|---|---|---|---|---|
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| New York, 92 score | 24.8 | 24.1 | 27.4 | 25.8 | 27.0 | 29.4 | 31.0 | 34.1 |
| London, finest New Zealand | 17.5 | 16.8 | 18.1 | 16.6 | 15.1 | 16.6 | 15.7 | 18.1 |
| Difference, New York over London | 7.3 | 7.3 | 9.3 | 9.2 | 11.9 | 12.8 | 15.3 | 16.0 |

On the London butter market, the price of best Danish declined during January while New Zealand advanced. Finest New Zealand was quoted at the equivalent of 19.3 cents on January 31 against 16.8 cents on January 3. For the month, prices as cabled for each Thursday have averaged 18.1 cents on New Zealand butter in London or 16.0 cents under the average of 92 score in New York as of the same days. Danish in London declined during the same period from the equivalent of 26.4 cents to 25.7 cents or 11.8 cents under New York. The difference in price between Danish and New Zealand on the London market which has been abnormally wide was thus further narrowed during the month from 9.6 cents to 6.4 cents. Lessening demand for Danish butter from continental Europe, particularly from Germany together with the withholding of New Zealand and Australian supplies have contributed to bring about the more normal relationship between the prices of continental and colonial butters in London.

Since the London price of New Zealand butter is practically the same for January as for last June, all of the advance of 8 cents since June in the New York price has been added to the June margin of 7.3 cents. During the last 2 months, accordingly, it has been apparent that only uncertainty as to the stability of this margin would prevent importation at least of New Zealand butter into this country. Imports of small quantities have been received in recent weeks and this same uncertainty appears now to be the dominant factor tending to limit the volume of importation. Shipments received during the last 2 weeks have amounted to about 200,000 pounds according to market reports from New York of arrivals of various shipments from London, New Zealand, and Denmark. More considerable imports are in prospect according to information reported as of January 25 by the American Agricultural Commissioner in London regarding substantial shipments of New Zealand butter than already made from British ports or to be diverted from London to New York. New Zealand butter was offered in New York as of January 25 for direct shipment from New Zealand at 17-3/4 cents and from London at 20-1/2 cents. The New Zealand butter received thus far is reported to have sold in New York at 92 score prices, but to have arrived in such small quantities to date as to have affected the market very slightly. Cabled reports of all shipments of butter from New Zealand to this country have now been arranged for in connection with the market news service of this Bureau, and will be reported in later issues of this publication.

United States: Imports of butter and cheese, by months, 1933 and 1934

| Month | Butter | | Swiss cheese | | Other cheese | |
|---|---|---|---|---|---|---|
| | 1933 | 1934 | 1933 | 1934 | 1933 | 1934 |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Jan. | 102 | 52 | 791 | 245 | 2,279 | 2,578 |
| Feb. | 93 | 46 | 1,025 | 624 | 2,520 | 3,278 |
| Mar. | 109 | 29 | 262 | 391 | 2,630 | 4,366 |
| Apr. | 123 | 47 | 723 | 470 | 3,167 | 3,206 |
| May | 131 | 53 | 1,250 | 684 | 4,276 | 3,253 |
| June | 104 | 57 | 2,204 | 1,035 | 4,658 | 2,862 |
| July | 96 | 69 | 1,140 | 815 | 2,300 | 2,398 |
| Aug. | 114 | 83 | 983 | 780 | 2,116 | 2,731 |
| Sept. | 37 | 98 | 478 | 341 | 2,252 | 3,722 |
| Oct. | 20 | 155 | 677 | 664 | 3,152 | 3,795 |
| Nov. | 31 | 183 | 450 | 526 | 4,538 | 5,205 |
| Dec. | 61 | 235 | 741 | 274 | 3,783 | 3,290 |
| Total | 1,021 | 1,107 | 10,724 | 6,849 | 37,671 | 40,684 |

Compiled from records of the Bureau of Foreign and Domestic Commerce.

British imports of butter increased 10 percent in 1934

Imports of butter into the United Kingdom during 1934 reached the record total of 1,086,716,000 pounds, an increase of 10 percent over the previous record of 989,149,000 pounds in 1933. The total value of the 1934 imports officially reported at £ 33,292,000 was actually less than that of the smaller volume of 1933, the total value of which was reported at £ 34,341,000.

United Kingdom: Imports of butter, by countries, 1932, 1933 and 1934

| Country | 1932 | 1933 | 1934 |
|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Irish Free State | 35,242 | 42,410 | 52,459 |
| Union of South Africa | 4,190 | 2,862 | 2,399 |
| Australia | 201,092 | 189,466 | 235,600 |
| New Zealand | 239,711 | 281,323 | 299,801 |
| Canada | 2,161 | 3,724 | 6 |
| Other British countries | 3,299 | 1,479 | 1,536 |
| Soviet Union (Russia) | 36,163 | 63,024 | 55,841 |
| Finland | 24,261 | 14,987 | 16,895 |
| Estonia | 9,313 | 9,336 | 13,767 |
| Latvia | 12,606 | 16,366 | 17,445 |
| Lithuania | 7,631 | 11,677 | 15,804 |
| Sweden | 19,686 | 25,399 | 33,857 |
| Denmark | 289,370 | 282,142 | 278,411 |
| Poland | 336 | 24 | 5,619 |
| Netherlands | 5,263 | 16,326 | 33,727 |
| Argentine Republic | 43,795 | 22,652 | 12,455 |
| Other foreign countries | 2,690 | 5,952 | 11,094 |
| Total | 936,809 | 989,149 | 1,086,716 |

Of this record volume of more than 1,000,000,000 pounds of foreign butter, practically all was consumed within the United Kingdom within the year. Reexports amounted only to 11,000,000 pounds. Stocks on hand in cold storage in Great Britain and Northern Ireland amounted on January 5, to 29,077,000 pounds against 28,954,000 pounds on January 6, 1934.

Decline in imports of butter into Germany checked

As discussed in the preceding issue of this series of reviews, increased demand for foreign butter in Germany contributed during the latter months of 1934, particularly, to the strengthening of London prices of continental butter. By late November the low point in domestic production was thought to have been passed, however, and Danish butter has declined rather steadily in price since mid-December, while colonial butter has advanced. The Berlin quotation is discontinued with this issue, since it has long been an abnormally high price fixed under the control measures in force so that it was neither affected directly by imported supplies nor a measure of the attractiveness of the German market for foreign butter. Effective November 6, 1934, a price dictatorship has been announced with power to centralize price fixing authorities of the country up to July 1, 1935.

Germany: Imports of butter, 1909-1913, 1925-1929, and 1925-1934

| Year | Quantity | Year | Quantity |
|---|---|---|---|
| | 1,000 pounds | | 1,000 pounds |
| Average 1909-1913 .. | 111,441 | 1929 ..... | 298,821 |
| Average 1925-1929 .. | 249,016 | 1930 ..... | 293,557 |
| 1925 ..... | 212,993 | 1931 ..... | 220,946 |
| 1926 ..... | 215,584 | 1932 ..... | 153,262 |
| 1927 ..... | 238,683 | 1933 ..... | 130,396 |
| 1928 ..... | 279,000 | 1934 ..... | 137,589 |

Subsidizing of home-consumed butter in Denmark abandoned

Since December 1, 1934, the price of butter for consumption in Denmark has again been the same as the export price. As of that date the previously existing arrangement whereby the price of butter for domestic consumption was increased by a consumption tax lapsed through failure of efforts at renewal. The tax on raw materials imported for margarine manufacture also ceased as of that date. Since December 15, 1933, a tax amounting to about 3-1/2 cents per pound on all butter sold in Denmark had been in effect, the purpose of which was to enhance the inland price of butter.

Australian production still well maintained

Butter graded in Australia from the beginning of the current season, July 1 through December 31 has amounted to approximately 141,000,000 pounds against 121,000,000 pounds in the corresponding period of the previous season. Production as indicated by gradings during recent weeks has averaged well above that of corresponding weeks of last year. Exports which had been well below those of a year ago since early November, in accordance with the announced policy of withholding supplies for later shipment, were increased in late December until they have been exceeding shipments of corresponding weeks of last year.

Shipments afloat from Australia as of January 10, amounted to 31,114,000 pounds as compared with 32,733,000 pounds afloat on Janjary 10,1934.

Australia: Gradings of butter, 1931-32 to 1934-35

| Period | 1931-32 | 1932-33 | 1933-34 | 1934-35 |
|---|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| July 1 - Sept. 30 | 31,795 | 37,256 | 21,896 | 30,867 |
| Oct. 1 - Dec. 31 | 73,221 | 92,351 | 99,055 | 1/110,000 |
| Jan. 1 - Mar. 31 | 58,518 | 70,551 | 85,326 | |
| Apr. 1 - June 30 | 38,642 | 22,012 | 39,158 | |
| Total..... | 202,176 | 222,170 | 245,437 | |

1/ Approximate

New Zealand butter production slightly less than previous season

Butter production in New Zealand as indicated by quantities graded has been 3 percent less during the first 5 months, August - December, of the current season than in the corresponding period of the previous season. Total gradings during the two periods were 166,284,000 pounds and 170,853,000 pounds, respectively.

The New Zealand Dairy Produce Board reports as of early January that unfavorable weather conditions in New Zealand are causing a considerable decline in production, the seasonal peak of which was passed this year about December 1.

New Zealand: Gradings of butter, by months, 1932-33, 1933-34, and 1934-35 to date

| Month | 1932-33 | 1933-34 | 1934-35 |
|---|---|---|---|
| | 1,000 lbs. | 1,000 lbs. | 1,000 lbs. |
| Aug. | 9,424 | 13,223 | 13,747 |
| Sept. | 20,046 | 26,555 | 23,903 |
| Oct. | 33,631 | 39,381 | 39,854 |
| Nov. | 42,385 | 46,007 | 45,703 |
| Dec. | 42,197 | 45,687 | 43,077 |
| Total Aug. 1 to Dec. 31 | | 170,853 | 166,284 |
| Jan. | 34,787 | 41,411 | |
| Feb. | 29,559 | 31,067 | |
| Mar. | 29,864 | 31,031 | |
| Apr. | 21,797 | 20,337 | |
| May | 13,308 | 10,969 | |
| June | 5,302 | 4,207 | |
| July | 3,969 | 4,229 | |
| Total | 286,269 | 314,104 | |

Shipments afloat from New Zealand as of January 10, 1935, however, amounted to 44,793,000 pounds against 31,932,000 pounds a month earlier and 44,340,000 pounds on January 10, 1934.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen and London for one day each week during December, with comparisons

| Market and description | 1935 | | | | 1934 |
|---|---|---|---|---|---|
| | Jan. 3 | Jan. 10 | Jan. 17 | Jan. 24 | Jan. 25 |
| | Cents | Cents | Cents | Cents | Cents |
| New York, 92-score | 32.8 | 33.8 | 33.0 | 33.5 | 20.0 |
| San Francisco, 92-score | 31.0 | 32.0 | 33.0 | 33.0 | 21.0 |
| Montreal, No. 1 pasteurized | 1/ | 22.0 | 23.4 | 23.9 | 1/ |
| Copenhagen, official quotation | 21.0 | 19.9 | 20.2 | 20.0 | 14.1 |
| London: | | | | | |
| Danish | 26.4 | 25.5 | 25.7 | 23.2 | 19.7 |
| New Zealand | 16.8 | 18.3 | 17.5 | 18.4 | 15.0 |

1/ No quotation available.

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April 9, 1935

~~(Not issued in Feb. or Mar.)~~

# WORLD DAIRY PROSPECTS

Price margins as between New York and London on comparable grades of butter narrowed during March for the first time since last September.

Domestic dairy production continues light with storage stocks of butter practically exhausted. Importation of butter has in the first 3 months of 1935 exceeded imports in any full year since 1927.

Great Britain, the principal world market for butter, increased its butter consumption during 1934 fully 10 percent while in the United States the apparent consumption of creamery butter was increased 2.7 percent.

The German dairy industry, particularly as affecting commercial supplies, has been reorganized and importation of butter into this second largest world market in recent years has been definitely checked.

New Zealand butter production is falling off both seasonally and in comparison with the same season of the previous year.

## New York - London price difference narrowed

Continued decline in London prices of butter during the past month has been accompanied by still greater declines in domestic prices. In London on March 21, best Danish at the equivalent of 21.6 cents was 2.8 cents lower than a month earlier and New Zealand at 15.4 cents was 2.9 cents lower. In New York 92-score had declined 5.8 cents during the month from 35.8 cents to 30.0 cents. On New Zealand butter, accordingly, the margin in favor of New York has narrowed from 17.5 cents to 14.6 cents a pound. The relatively high level of domestic prices is indicated by the comparison of current prices at home and abroad with prices prevailing a year ago. On March 21, London prices on Danish were about a cent higher than a year earlier and on New Zealand a cent lower, while 92-score in New York, even at the low level of 30.0 cents to which it has now declined, was 6 cents or 25 percent higher than on the corresponding date of last year. During March the margin represented by the New York price of 92-score butter over finest New Zealand in London was materially narrower than in the preceding month. This was the first break in the previously steady widening of the margin, month by month, since last September.

Butter: Prices at New York and London, June 1934 to March 1935

| Market and description | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| New York, 92-score | 24.8 | 24.1 | 27.4 | 25.8 | 27.0 | 29.4 | 31.0 | 34.1 | 35.8 | 31.4 |
| London, finest New Zealand | 17.5 | 16.8 | 18.1 | 16.6 | 15.1 | 16.6 | 15.7 | 18.1 | 18.8 | 15.9 |
| Difference, New York over London | 7.3 | 7.3 | 9.3 | 92. | 11.9 | 12.8 | 15.3 | 16.0 | 17.0 | 15.5 |

Butter output and stocks low in United States

Dairy production in the United States continues light. In terms of the estimated milk equivalent of all manufactured products, production was 4.5 percent lower in 1934 than in the preceding year. Total milk production is estimated to have been about 6 percent lower on March 1, than a year ago.

Stocks of butter held in storage in the United States, which had reached 125,000,000 pounds on October 1, had been consumed but for 8,000,000 pounds by March 1, the lowest stocks, except for 1927, on record for that date. Importation of butter during the first 3 months of this year will amount to more than in any other full year since 1927.

Apparent consumption of creamery butter in the United States, amounting to 1,717,835,000 pounds, was only 2.7 percent greater in 1934 than in 1933 as against an increased consumption in Great Britain of at least 10 percent. Consumer expenditures in the United States for creamery butter, exclusive of Government distribution for relief, are estimated to have amounted to $516,605,000 in 1934 or 13.4 percent more than in 1933.

Importation of butter sharply increased

Total imports of butter into the United States during February, according to official figures now available, amounted to 3,057,000 pounds. During January, imports had amounted to 539,000 pounds. Thus, in the first 2 months of 1935, the imports of 3,596,000 pounds had exceeded total imports in any full calendar year since 1928, as shown on the following page.

United States: Exports and imports of butter, 1925-1929, 1928-1934 and 1935 to date; calendar year January and February 1935

| Calendar year | Exports | Imports | Calendar year | Exports | Imports |
|---|---|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | | 1,000 pounds | 1,000 pounds |
| Average 1925-1929 | 4,558 | 6,227 | 1931 | 1,984 | 1,882 |
| 1928 | 3,898 | 4,659 | 1932 | 1,605 | 1,014 |
| 1929 | 3,724 | 2,773 | 1933 | 1,191 | 1,022 |
| 1930 | 2,954 | 2,472 | 1934 | 1,220 | 1,107 |
| | | | Jan.& Feb. 1935 | 106 | 3,596 |

Cabled reports from New Zealand, where the bulk of these imports originated, indicated shipments from that source due to arrive during March amounting to 4,061,000 pounds. A cable, as of March 2, reported small shipments of 112,000 pounds due to arrive in New York on April 5 and 254,800 pounds due April 12. The latest cable received reported, as of March 18, that no further shipments had been made to date and that shipments would be reported by cable. Shipments of butter afloat from New Zealand for New York were reported by the Imperial Economic Committee in its Weekly Dairy Produce Notes, March 8, 1935, as amounting to 4,138,400 pounds, including one shipment of 1,741,600 pounds due March 7. A trial shipment to Los Angeles of 100 boxes (5600 pounds) was reported by American Consul Walter F. Boyle at Auckland, New Zealand as having been shipped from Auckland on February 9, due to arrive on February 23.

On each shipment of butter made from New Zealand to the United States certification was made in addition to the usual documents that the butter was free from all preservatives and that the price of the shipment conformed to the ruling wholesale market prices, thus avoiding any risk of exclusion from this country on the grounds of poor quality or the imposition of a dumping duty, according to American Consul General George A. Bucklin, reporting from Wellington, New Zealand.

Demand in Great Britain comparatively well maintained

Total stocks of butter held in cold storage in Great Britain and Northern Ireland as of March 2 amounted to only 23,792,000 pounds. This quantity represents but little more than a week's supply based on the consumption of imported butter during 1934, which amounted to 20,577,000 pounds as the weekly average. During the 4 weeks ended March 2, there was a net into-storage movement amounting to 1,882,000 pounds whereas in the corresponding period of the preceding year this into-storage movement amounted to 9,195,000 pounds. The total stocks of 23,792,000 pounds as of March 2 compare with 44,560,000 pounds on March 3, 1934 and 45,593,000 pounds on March 4, 1933.

The total supply of imported butter, which reached the record volume of 1,086,716,000 pounds in 1934 exceeded the imports of the previous year by just 10 percent while the import value per pound averaging about 7 pence was less than in 1933 by about 12 percent.

Low prices of butter at retail have been an important factor in the British market. The purchase price of Danish butter in Copenhagen as of February 21, equivalent to about 16 cents per pound would permit of a retail price on best Danish butter in Great Britain of 1s 2d or about 28 cents per pound, according to the Danish Butter Journal. Butter, presumably Colonial, as featured by many large retailers in Great Britain in January at 8 pence or the equivalent of about 16 cents per pound was referred to in a recent trade review as unjustifiably low.

Contributing also to the more recent comparative strength of the British market have been lower production in Denmark as well as in New Zealand, active German buying, continued currency depreciation, and requests from the United States for offers from Great Britain and direct from New Zealand followed later by the actual placing of orders and substantial shipments. Low stocks also have contributed to firmness since the lack of reserve supplies forced buyers to operate continuously. Imports during January and February totaled 182,000,000 pounds against 189,112,000 pounds in these 2 months of last year.

Domestic dairy production increasing in Germany

As a result of the reorganization of the German dairyindustry, a larger proportion of the total milk supply is being delivered to factories and a larger volume of dairy products than formerly is entering commercial channels. The quantity of butter produced by factories increased from 492,112,000 pounds in 1932 to 557,671,000 pounds in 1933, an increase of approximately 13 percent, according to American Consul W. A. Leonard at Bremen. The total butter production is reported as having amounted to 937,000,000 pounds in 1933 as compared with 871,000,000 pounds in 1932, an increase of 8 percent. A 10 percent increase in cheese production is also indicated with an output of 373,000,000 pounds in 1933 against 339,000,000 pounds in 1932. Unofficial information obtained by Consul Leonard, indicated that milk production in Germany was fully maintained in 1934. Imports of butter into Germany have markedly fallen off in recent years as shown in the following table.

Germany: Imports of butter, 1909-1913, 1925-1929 and 1925-1934

| Year | Quantity | Year | Quantity |
|---|---|---|---|
| | 1,000 pounds | | 1,000 pounds |
| Average, 1909-1913 | 111,441 | 1929 | 298,821 |
| " 1925-1929 | 249,016 | 1930 | 293,557 |
| 1925 | 212,993 | 1931 | 220,946 |
| 1926 | 215,584 | 1932 | 153,262 |
| 1927 | 238,683 | 1933 | 130,396 |
| 1928 | 279,000 | 1934 | 137,589 |

Consumption of domestic butter in Germany in 1934 according to American Vice Consul C. T. Zawadzki quoting "Der Meberblick" of February 2, 1935, amounted to 948,000,000 pounds, which together with imports in that year would account for a total consumption of 1,086,000,000 pounds. This is practically the same consumption as in Great Britain, but with the proportions of domestic and imported just reversed.

New Zealand butter production now much lower than previous season

Butter production in New Zealand as indicated by quantities graded has been 6 percent less during the first 7 months, August - February, of the current season than in the corresponding period of the previous season. Total gradings during the two periods of this and last season were 228,829,000 pounds and 243,331,000 pounds, respectively. During January, gradings were 11.5 percent below last year and during February, 16.6 percent below February of last year.

The Imperial Economic Committee reports as of early March that unfavorable weather conditions still persisted in New Zealand causing a considerable decline in production, but that some improvement has taken place in recent weeks. The seasonal peak of production was passed in this seasonal year, August - July, about December 1.

Shipments afloat from New Zealand to the United Kingdom as of March 7, 1935, amounted to 32,451,000 pounds against 46,734,000 pounds a month earlier and 46,328,000 pounds on March 7, 1934.

New Zealand: Gradings of butter, by months, 1932-33, 1933-34 and 1934-35 to date

| Month | 1932-33 | 1933-34 | 1934-35 |
|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Aug. | 9,424 | 13,223 | 13,747 |
| Sept. | 20,046 | 26,555 | 23,903 |
| Oct. | 33,631 | 39,381 | 39,854 |
| Nov. | 42,385 | 46,007 | 45,703 |
| Dec. | 42,197 | 45,687 | 43,077 |
| Jan. | 34,787 | 41,411 | 36,633 |
| Feb. | 29,559 | 31,067 | 25,912 |
| Total Aug. 1 to Feb. 28 | 212,029 | 243,331 | 228,829 |
| Mar. | 29,864 | 31,031 | |
| Apr. | 21,797 | 20,337 | |
| May | 13,308 | 10,969 | |
| June | 5,302 | 4,207 | |
| July | 3,969 | 4,229 | |
| Total | 286,269 | 314,104 | |

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, and London, for one day each week during February and March with comparisons

| Market and description | 1935 | | | | | | | | 1934 |
|---|---|---|---|---|---|---|---|---|---|
| | Jan. 31 | Feb. 7 | Feb. 14 | Feb. 21 | Feb. 28 | Mar. 7 | Mar. 14 | Mar. 21 | Mar. 22 |
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| New York, 92-score | 37.5 | 37.2 | 36.2 | 35.8 | 33.8 | 31.5 | 31.2 | 30.0 | 24.0 |
| San Francisco, 92-score | 36.0 | 35.0 | 37.0 | 33.0 | 31.5 | 32.5 | 30.0 | 28.0 | 23.0 |
| Montreal, No.1. past... | 24.3 | 24.8 | 25.0 | 1/ | 25.1 | 24.9 | 1/ | 1/ | 29.6 |
| Copenhagen, off. quot.. | 20.1 | 20.8 | 19.8 | 18.8 | 18.7 | 17.3 | 16.9 | 16.0 | 14.8 |
| London, Danish | 25.7 | 26.2 | 25.2 | 24.4 | 24.2 | 22.8 | 22.3 | 21.6 | 20.7 |
| " , New Zealand... | 19.3 | 19.8 | 19.4 | 18.3 | 17.5 | 16.1 | 15.7 | 15.4 | 16.6 |

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June 18, 1935.
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# WORLD DAIRY PROSPECTS

The difference between the London price of New Zealand butter and the New York price of 92 score was less during May than the amount of our import duty, the first month in which this relationship has prevailed since last November. Imports of butter, which since January 1 have approximated 20,000,000 pounds, can hardly continue longer except possibly for some trade in lower grades of butter. The disappearance of the import margin has been brought about primarily by decline, most marked since mid-April in domestic prices.

German butter production which had been increasing was checked in 1934. Consumption in that country, however, is now at about the same volume as in 1929. Within that period domestic production has displaced imports by an amount which has had an important effect upon the direction of international trade and particularly upon butter prices in London.

Great Britain, with comparatively unimportant supplies of home-produced butter has absorbed unprecedented supplies of foreign butter, but at extremely low import values.

The Netherlands has supplied a considerable proportion of our most recent imports of butter and the prices at which it has lately been offered in this country reflect the critical condition of the dairy industry in that country.

In New Zealand and Australia production is falling off markedly as the new season of flush production begins in Europe and North America.

United States imports 20,000,000 pounds of butter in 5 months.

Fully 20,000,000 pounds of foreign butter have been imported since the first of this year to supplement the abnormally light domestic supplies available from storage stocks and from current production. In addition, margarine production was increased during the first quarter of this year as compared with last by 46,000,000 pounds. The apparent consumption of butter in the United States during the first quarter of this year was less that that of the corresponding period of last year by 85,000,000 pounds. The importation of butter which has been anticipated as a consequence of last year's drought developed as during the winter and spring months. Price margins as between New York and London have now narrowed to such an extent as to discourage further importation of the highest grades of butter. The disappearance of the import margin has resulted chiefly from the marked decline in the domestic price.

Butter: Prices at New York and London July 1934 to May 1935

| Market and description | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| New York, 92-score | 24.1 | 27.4 | 25.0 | 27.0 | 29.4 | 31.0 | 34.1 | 35.8 | 31.4 | 34.9 | 27.2 |
| London, finest New Zealand | 16.8 | 18.1 | 16.6 | 15.1 | 16.6 | 15.7 | 18.1 | 18.8 | 15.9 | 16.7 | 17.3 |
| Difference, New York over London | 7.3 | 9.3 | 9.2 | 11.9 | 12.8 | 15.3 | 16.0 | 17.0 | 15.5 | 18.2 | 9.9 |

The Copenhagen official quotation which was equivalent to 15.8 cents on May 31 was practically the same as on April 11 when 92 score in New York was 12 cents higher than the quotation of 25.0 cents on the latter date. New Zealand in London had advanced slightly during the same period from 16.9 cents to 18.0 cents. This comparison, of course, is on the basis of our best grades and comparable grades of foreign butters and may not preclude some import transactions involving lower grades or deals involving some form of barter in international trade. The fact remains that whereas the average of the London prices of New Zealand butter for one day each week was 18.2 cents lower than the New York average of corresponding dates during April, the May average was only 9.9 cents under New York.

Total imports of butter for consumption reached the record volume of 8,860,000 pounds in April making a total for the 4 months, January to April of this year, 17,398,000 pounds. The figures given cover "imports for consumption" and may not, therefore, be comparable with actual arrivals during any particular month, since foreign butter arriving in New York, for example, may be placed in customs warehouses and the duty finally paid whenever it is withdrawn for consumption in this country. Arrivals of butter reported by the New York office of the Bureau of Agricultural Economics from day to day indicate that general imports from May 1 to 21, inclusive, had amounted to approximately 2,000,000 pounds, with further substantial shipments reported due to arrive this week. Cabled information from Mr. Foley, the American Agricultural Attache in London, as of May 23 reported a total of 442,400 pounds of European butters, principally Dutch, due to arrive from May 24 to June 3.

Imports for consumption this year to date amounted to 539,000 pounds in January, 3,070,000 pounds in February, 4,929,000 pounds in March, and 8,860,000 pounds in April. With arrivals as indicated during May, total arrivals of foreign butter during the 5 months, January-May, will have been at least 20,000,000 pounds.

United States: Imports of butter and cheese, by months, 1933, 1934 and 1935. 1/

| Month | Butter | | | Swiss cheese | | | Other cheese | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1933 | 1934 | 1935 | 1933 | 1934 | 1935 | 1933 | 1934 | 1935 |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Jan. | 102 | 52 | 539 | 791 | 245 | 507 | 2,279 | 2,578 | 3,068 |
| Feb. | 93 | 46 | 3,070 | 1,025 | 624 | 620 | 2,520 | 3,278 | 3,464 |
| Mar. | 109 | 29 | 4,929 | 262 | 391 | 379 | 2,630 | 4,363 | 3,841 |
| Apr. | 123 | 47 | 8,860 | 723 | 470 | 442 | 3,167 | 3,206 | 4,013 |
| May | 131 | 53 | | 1,250 | 684 | | 4,276 | 3.253 | |
| June | 104 | 57 | | 2,204 | 1,035 | | 4,658 | 2,862 | |
| July | 96 | 69 | | 1,140 | 815 | | 2,300 | 2,398 | |
| Aug. | 114 | 83 | | 983 | 780 | | 2,116 | 2,731 | |
| Sept. | 37 | 98 | | 478 | 341 | | 2,252 | 3,722 | |
| Oct. | 20 | 155 | | 677 | 664 | | 3,152 | 3,795 | |
| Nov. | 331 | 183 | | 450 | 526 | | 4,538 | 5,205 | |
| Dec. | 61 | 235 | | 741 | 274 | | 3,783 | 3,290 | |
| Total | 1,021 | 1,107 | | 10,724 | 6,849 | | 37,671 | 40,684 | |

Compiled from records of the Bureau of Foreign and Domestic Commerce.
1/ Beginning January 1, 1934 figures show imports for consumption, and are not, therefore, comparable with actual arrivals during any particular months.

Increasing domestic supply displacing recent heavy imports into Germany.

The general tightening of restrictions upon importation of butter into European countries of secondary importance in international trade gives added interest to developments within Germany as affecting that second greatest world market for butter.

Imports of butter into Germany thus far in 1935 have been far in excess of imports during corresponding months of 1934. During the first 3 months of this year, imports amounting to 45,133,000 pounds were nearly twice as much as in the first 3 months of last year when 24,188,000 pounds were imported. Importation is reported to have been on a larger scale than a year earlier up to the first of May. Domestic butter production is now increasing seasonally in Germany and a decline in importation is to be expected.

Production of butter in Germany in 1934, as reported from Hamburg by American Consul, Lester L. Schnare, amounted to 935,000,000 pounds or slightly less than in 1933 when the domestic production was estimated at 937,000,000 pounds. Assuming that this figure for 1934 is final, it represents the first check upon increasing production in any year since 1928, the earliest year from which a consecutive series of estimates is available. As is shown, also, in the table below, the apparent total consumption of butter in Germany was practically the same in 1934 as it was 5 years earlier.

Germany: Production, importation and apparent consumption of butter, 1929 - 1934

| Year | Production | Imports | Production plus imports | Imports as percentage of total consumption |
|---|---|---|---|---|
| | Million pounds | Million pounds | Million pounds | Percent |
| 1929 | 772 | 299 | 1,071 | 28 |
| 1930 | 827 | 294 | 1,121 | 27 |
| 1931 | 838 | 221 | 1,059 | 21 |
| 1932 | 871 | 153 | 1,024 | 15 |
| 1933 | 937 | 130 | 1,067 | 12 |
| 1934 | 935 | 138 | 1,073 | 13 |

British consumption of butter enormously increased

In Great Britain, the situation as affecting the consumption and importation of butter presents a striking contrast to the recent developments in Germany. Butter consumption in Great Britain over the same 5-year period, 1929 to 1934, has been increased from approximately 815,000,000 pounds to 1,184,000,000 pounds, or 45 percent. The increased consumption has been almost altogether accounted for by increased importation since domestic output, which is estimated at about 108,000,000 pounds, accounts for less than 10 percent of the total supply now being made available for consumption.

Butter production within Great Britain is practically stationary although official figures are not published for each of the years included in the period covered in the table following. It is apparent, at least, that any such increase as may have occurred as a result of the National Milk Marketing Scheme of 1933 would affect the total supply but slightly in comparison with the importation of fully 10 times as much.

Great Britain: Production, importation, and consumption of butter, 1929-1934

| Year ending Dec. 31 | Domestic production 1/ | Imports minus reexports | Reduction (added) or accumulation (subtracted) in storage stocks | Consumption | |
|---|---|---|---|---|---|
| | | | | Total | Per capita |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | Pounds |
| 1929 | 2/ 112,000 | 702,749 | 3/ | 815,000 | 17.8 |
| 1930 | 108,000 | 744,623 | + 4,973 | 857,596 | 18.7 |
| 1931 | 108,000 | 863,365 | - 7,204 | 964,161 | 20.9 |
| 1932 | 108,000 | 911,846 | - 12,734 | 1,007,112 | 21.7 |
| 1933 | 108,000 | 979,867 | + 4,347 | 1,092,214 | 23.5 |
| 1934 | 108,000 | 1,076,000 | - 123 | 1,184,000 | 4/25.5 |

1/ Census for 1930-31, year ended June 4, including 89,286,000 pounds produced in Great Britain and 18,648,000 pounds in Northern Ireland. Official estimate based on the previous census for year ended June 4, 1925 which gives production in Great Britain alone as 75,376,000 pounds.
2/ Data not published on storage holdings.
3/ Not available.
4/ Approximate figure.

Imports of butter into Great Britain during the first quarter of this year were smaller by 30,848,000 pounds than last year, having amounted to 263,513,000 pounds and 294,361,000 pounds, respectively. Most of the difference is accounted for by the marked decrease in supplies arriving from New Zealand, Denmark, Russia, Argentina, Sweden, and some of the Baltic States. Increased supplies arrived from Australia, particularly, and also from the Netherlands.

Netherlands hard pressed for dairy markets

In the Netherlands, despite national measures designed under the Dairy Crisis Act to relieve the economic pressure upon the dairy industry, prices at which Dutch butter continues to be offered in the United States, (12.5-13 cents c.i.f.) reflect a situation that is still critical. Dairy cows were decreased from 1,452,311 in 1933 to 1,393,670 in 1934, yet production of controlled butter in the Netherlands increased from 178,000,000 pounds in 1933 to 182,320,000 pounds in 1934. Consumption of butter, which was estimated to have amounted in 1933 to 123,480,000 pounds declined in 1934 to 116,204,000 pounds. Margarine consumption (exclusive of the butter required by law to be mixed with it) increased from 92,390,000 pounds to 98,564,000 pounds.

Exports of cheese declined further in 1934 as they had in each year since 1929, and exports of cream, whole milk, powder, and condensed skimmed milk were materially reduced from the volume of the preceding year. Only condensed sweetened whole milk and butter were exported in increased volume.

Netherlands: Exports of butter, by countries, 1925-1934

| Calendar Year | Germany | United Kingdom | Belgium | France | Others | Total |
|---|---|---|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| 1925 | 69,566 | 8,594 | 4,866 | 483 | 4,089 | 87,598 |
| 1926 | 74,477 | 17,256 | 3,282 | 464 | 4,949 | 100,428 |
| 1927 | 78,222 | 19,092 | 1,306 | 2,499 | 4,595 | 105,714 |
| 1928 | 82,731 | 15,184 | 924 | 1,244 | 3,402 | 103,485 |
| 1929 | 79,548 | 14,238 | 6,542 | 1,329 | 2,666 | 104,323 |
| 1930 | 69,203 | 10,047 | 9,463 | 1,254 | 2,426 | 92,393 |
| 1931 | 41,795 | 10,561 | 11,732 | 5,980 | 2,592 | 72,660 |
| 1932 | 21,792 | 5,148 | 7,746 | 7,448 | 2,788 | 44,922 |
| 1933 | 28,323 | 17,984 | 8,683 | 5,015 | 2,546 | 62,551 |
| 1934 | 32,009 | 38,133 | 5,893 | 1,997 | 3,287 | 81,319 |

Colonial (New Zealand and Australian) butter supplies now going forward are just about being cleared for current consumption in Great Britain. Although the supplies of New Zealand and Australian together were continuing, according to latest reports, somewhat in excess of those of a year earlier, demand for these butters was improving, especially for the New Zealand product.

Gradings of butter in New Zealand during April, for the first time since October, exceeded gradings of the corresponding month of the preceding season. For the 9 months, August - April, the total butter gradings this season were 5 percent smaller than in the first 9 months of last season.

Shipments of New Zealand butter reported afloat as of May 9 for the United Kingdom amounted to 20,769,000 pounds against 35,220,000 pounds a year earlier.

New Zealand: Gradings of butter, by months, 1932-33, 1933-34, and 1934-35 to date

| Month | 1932-33 | 1933-34 | 1934-35 |
|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Aug. | 9,424 | 13,223 | 13,747 |
| Sept. | 20,046 | 26,555 | 23,903 |
| Oct. | 33,631 | 39,381 | 39,854 |
| Nov. | 42,385 | 46,007 | 45,703 |
| Dec. | 42,197 | 45,687 | 43,077 |
| Jan. | 34,787 | 41,411 | 36,633 |
| Feb. | 29,559 | 31,067 | 25,912 |
| Mar. | 29,864 | 31,031 | 27,834 |
| Apr. | 21,797 | 20,337 | 23,377 |
| Total Aug.1 to Apr. 30 | 263,690 | 294,699 | 280,040 |
| May | 13,308 | 10,969 | |
| June | 5,302 | 4,207 | |
| July | 3,969 | 4,229 | |
| Total | 286,269 | 314,104 | |

In Australia, production of butter is falling off rapidly, gradings for export having fallen below the volume graded in corresponding weeks of last year according to latest information. Australian shipments of butter afloat for the United Kingdom as of May 9 amounted to 19,060,000 pounds against 20,089,000 on May 9, 1934.

Butter: International trade, 1933 and 1934

| Country | Calendar year | | | |
|---|---|---|---|---|
| | 1933 | | 1934 1/ | |
| | Exports | Imports | Exports | Imports |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Principal exporting countries | | | | |
| Denmark | 332,266 | 783 | 330,307 | 20 |
| New Zealand | 295,148 | 0 | 292,826 | --- |
| Australia 2/ | 211,532 | --- | 246,784 | |
| Netherlands | 62,551 | 1,449 | 81,319 | 1,173 |
| Russia | 82,022 | 0 | 83,552 | --- |
| Argentina | 30,659 | 2 | 18,347 | --- |
| Irish Free State | 45,232 | 22 | 56,886 | --- |
| Sweden | 37,758 | 73 | 51,151 | 4 |
| Finland | 26,201 | --- | 24,467 | --- |
| Latvia | 34,494 | 0 | 34,615 | --- |
| Estonia | 20,336 | 4 | 22,306 | --- |
| Poland | 3,547 | 25 | 9,781 | 10 |
| Lithuania | 21,120 | --- | 21,321 | --- |
| Total 13 countries | 1,202,865 | | 1,273,662 | |
| Principal importing countries | | | | |
| United Kingdom | 1,338 | 979,553 | --- | 1,075,603 |
| Germany | 19 | 130,389 | 8 | 136,164 |
| France | 6,829 | 20,307 | 7,297 | 9,604 |
| Italy | 834 | 4,698 | 276 | 3,799 |
| Switzerland | 2 | 1,146 | 1 | 652 |
| Canada | 4,437 | 1,377 | 428 | 2,874 |
| Dutch East Indies | 0 | 3/ 10,051 | | |
| United States | 1,191 | 1,023 | 1,220 | 1,107 |
| Belgium | 725 | 27,408 | 108 | 20,629 |
| Austria | 2,606 | 161 | 7,052 | 158 |
| Union of South Africa | 2,508 | 2,640 | | |
| Egypt | 253 | 1,816 | 81 | 1,893 |
| Norway | 904 | 146 | 547 | 3 |
| British Malaya | 118 | 1,585 | 155 | 1,841 |
| Peru | 3 | 161 | | |
| China | 0 | 1,547 | 0 | 1,645 |
| Greece | 1 | 604 | | |
| Czechoslovakia | 109 | 1,494 | 22 | 2,229 |
| Spain | 21 | 15 | 15 | 144 |
| Total 19 countries | | 1,186,120 | | 1,258,345 |

Bureau of Agricultural Economics. Official sources except where otherwise noted.

Butter includes all butter made from milk, malted and renovated butter, but does not include margarine, cocoa butter or ghee.

1/ Preliminary. 2/ International Yearbook of Agricultural Statistics.
3/ Java and Madura only.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, and London for one day each week during April and May with comparisons

| Market and description | 1935 | | | | | | | | | | 1934 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 | May 2 | May 9 | May 16 | May 23 | May 31 | May 31 |
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| New York, 92 score | 33.0 | 36.0 | 36.8 | 33.8 | 33.0 | 28.8 | 28.2 | 27.2 | 26.8 | 25.0 | 24.4 |
| San Francisco, 92 score | 28.5 | 28.5 | 30.0 | 28.0 | 28.0 | 27.0 | 28.0 | 26.5 | 28.0 | 26.0 | 22.0 |
| Montreal, No. 1 past | 1/ | 1/ | 22.8 | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 21.1 |
| Copenhagen, off. quot. | 16.1 | 16.2 | 15.6 | 15.7 | 14.9 | 14.3 | 13.7 | 13.8 | 15.8 | 15.8 | 13.8 |
| London: | | | | | | | | | | | |
| Danish | 22.1 | 21.7 | 21.2 | 21.3 | 20.4 | 19.7 | 19.5 | 19.6 | 21.5 | 21.6 | 19.4 |
| New Zealand | 16.4 | 16.8 | 16.9 | 16.6 | 16.4 | 17.0 | 16.8 | 17.0 | 17.6 | 18.0 | 17.4 |

1/ Quotation, if any, not available.

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# WORLD DAIRY PROSPECTS

Importation of butter into the United States, which has been the outstanding feature of our foreign trade in dairy products this year, has now practically ceased. Developments within the United States and in important world centers of production and consumption of butter have combined to stop the importation of butter into this country. Lessened production and unusually high prices of butter in the United States coincided with generally increased exports of butter from surplus-producing countries despite world market prices so low as to have been unremunerative to dairy interests, under normal conditions of a trade unaided by the various governments and with British markets so glutted as to result in some of the over-supply finding increased outlet in Germany and in the United States.

## Butter importation apparently temporary

London prices as cabled for each Thursday during July averaged 19.9 cents on New Zealand butter and 18.4 cents on Dutch butter. With New York prices on 92-score for corresponding dates averaging 23.9 cents, the margins were narrowed for the month to 5.0 cents and 5.5 cents, respectively. No arrivals of New Zealand butter have been reported from New York since the last of April. Such shipments as have arrived since then have been of European butters.

During the first 6 months of 1935, butter imported "for consumption" in the United States amounted to 21,500,000 pounds. Butter imports were comparable in volume with the imports of this year in the early post-war years when weakened European markets and expansion of dairying in the Southern Hemisphere were causing foreign butter to be diverted to this country in markets. Even then, in only 2 years were the imports in excess of those of the first 6 months of the current year. In 1920-21 the record importation of 34,344,000 pounds took place over a tariff of 6 cents per pound, and in 1923-24 imports of 29,466,000 pounds came in over an 8-cent tariff.

Price margins as between New Zealand butter in London and 92-score in New York, which had averaged about 6 cents during the summer months of 1934, had been widened by the abnormal advance in domestic prices until the December average margin practically equalled the 14-cent import duty. During the 4 months, January - April 1935 this margin exceeded the amount of the import duty, and importation in unusual volume began in January. Imports of butter "for consumption" amounted to 521,000 pounds in January, 3,049,000 pounds in February, 4,907,000 pounds in March, and 8,851,000 pounds in April. These imports represented 0.5 percent of the domestic production of creamery butter in January, 3.1 percent in February, 4.6 percent in March, and 7.0 percent in April. During this period the imports were principally of New Zealand butter. By May the

narrowing of the price margin had stopped the diversion of New Zealand butter, but European butters, particularly those from the Netherlands and the Baltic States continued in considerable quantities, with 2,665,000 pounds in May, 1,437,000 pounds in June, and 177,238 pounds in July. The domestic and foreign prices for one day each week averaged by months within which the cable dates fall are shown below, together with monthly imports of butter "for consumption". Such imports do not necessarily equal in any month the actual arrivals of foreign butter in our ports, but reflect quite closely the comparative strength of domestic and foreign markets.

Just as there was a lag in importation behind the first development of an import margin in butter prices, so, after this margin was considerably narrowed by falling domestic prices in April and May, imports were maintained for a time. However, as already noted, the New Zealand product with its preferential position in British markets was more sensitive to price relationships between London and New York than certain European butters, and it was of the latter quite exclusively that recent imports were comprised. No arrivals of New Zealand butter have been reported from New York since the last of April.

Butter: Monthly average of Thursday quotations in New York and London and imports of butter "for consumption" in the United States, July 1934 to July 1935

| Year and month | New York 92-score | London finest New Zealand | New York over London | Imports for consumption |
|---|---|---|---|---|
| | Cents | Cents | Cents | 1,000 pounds |
| 1934 - | | | | |
| July | 24.1 | 16.8 | 7.3 | 69 |
| Aug. | 27.4 | 18.1 | 9.3 | 83 |
| Sept. | 25.8 | 16.6 | 9.2 | 98 |
| Oct. | 27.0 | 15.1 | 11.9 | 155 |
| Nov. | 29.4 | 16.6 | 12.8 | 183 |
| Dec. | 31.0 | 15.7 | 15.3 | 235 |
| 1935 - | | | | |
| Jan. | 34.1 | 18.1 | 16.0 | 539 |
| Feb. | 35.8 | 18.8 | 17.0 | 3,070 |
| Mar. | 31.4 | 15.9 | 15.5 | 4,929 |
| Apr. | 34.9 | 16.7 | 18.2 | 8,860 |
| May | 27.2 | 17.3 | 9.9 | 2,665 |
| June | 24.2 | 19.2 | 5.0 | 1,437 |
| July | 23.9 | 19.9 | 4.0 | 177 |

Price margins in favor of the United States market on comparable high-grade butters had become sufficiently wide to suggest diversion of butter to United States markets for some time before shipments actually arrived in volume. Some time was necessary for confidence to be established in the stability of our prices and for trade connections to be established in this country where such negligible quantities had been placed during recent years.

Season ends in New Zealand and Australia

The extent to which surplus production of butter has been maintained in Australia and New Zealand, despite some curtailment due to unfavorable weather conditions during the peak of the last season in New Zealand, is indicated below.

Australia: Gradings and exports of butter, by quarters, 1932-33, 1933-34 and 1934-35

| 13 weeks ended nearest date | 1932-33 | | 1933-34 | | 1934-35 | |
|---|---|---|---|---|---|---|
| | Gradings | Exports | Gradings | Exports | Gradings | Exports |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Sept. 30 .... | 37,256 | 34,138 | 21,898 | 18,856 | 30,867 | 26,253 |
| Dec. 31 .... | 92,351 | 81,975 | 99,055 | 86,218 | 105,950 | 83,534 |
| Mar. 31 .... | 70,551 | 71,996 | 85,326 | 73,862 | 100,464 | 100,500 |
| June 30 .... | 22,012 | 20,064 | 39,157 | 49,114 | 29,817 | 37,710 |
| Total.... | 222,170 | 208,173 | 245,436 | 228,050 | 267,098 | 247,997 |

New Zealand: Gradings of butter, 1933-34 and 1934-35

| Month | 1933-34 | 1934-35 |
|---|---|---|
| | 1,000 pounds | 1,000 pounds |
| Aug. | 13,223 | 13,747 |
| Sept. | 26,555 | 23,903 |
| Oct. | 39,381 | 39,854 |
| Nov. | 46,007 | 45,703 |
| Dec. | 45,687 | 43,077 |
| Jan. | 41,411 | 36,633 |
| Feb. | 31,067 | 25,912 |
| Mar. | 31,031 | 27,834 |
| Apr. | 20,337 | 23,377 |
| May | 10,969 | 14,636 |
| June | 4,207 | 5,146 |
| July | 4,229 | 5,080 |
| Total | 314,104 | 304,902 |

New Zealand: Quantities of butter and cheese graded, 1930-31 to 1934-35

| Year ended July 31 | Butter | Cheese |
|---|---|---|
| | Pounds | Pounds |
| 1930-31 | 217,349,000 | 199,873,000 |
| 1931-32 | 233,433,000 | 197,555,000 |
| 1932-33 | 286,170,000 | 225,832,000 |
| 1933-34 | 314,104,000 | 232,248,000 |
| 1934-35 | 304,902,000 | 207,588,000 |

Butter supplies diverted from British to German and United States markets

Imports of butter into the United Kingdom during the first half of this year were less than in the first half of 1934 by 35,422,000 pounds, while imports into Germany were increased by 30,257,000 pounds. During this period, also, the United States imported 21,140,000 pounds more than in the corresponding months of the previous year when they were comparatively negligible. Great Britain, Germany, and the United States, which together had taken 643,666,000 pounds of butter in the 6 months period, January - June 1934, took 664,641,000 pounds in the like period of this year, an increase in the combined imports of these three countries amounting to 15,975,000 pounds, or 2.5 percent.

Great Britain: Imports of butter by countries, June and January-June 1934 and 1935

| Country | June | | Jan. - June | |
|---|---|---|---|---|
| | 1934 | 1935 | 1934 | 1935 |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Irish Free State | 10,608 | 11,126 | 19,766 | 20,455 |
| Union of South Africa | --- | 801 | 2,283 | 4,913 |
| Australia | 17,473 | 12,038 | 144,906 | 165,724 |
| New Zealand | 19,049 | 18,019 | 179,409 | 160,726 |
| Canada | --- | --- | --- | --- |
| Other British countries | 40 | 110 | 420 | 2,440 |
| Soviet Union | 7,941 | 7,283 | 20,310 | 19,275 |
| Finland | 2,164 | 1,516 | 10,388 | 7,422 |
| Estonia | 2,220 | 1,656 | 5,098 | 5,162 |
| Latvia | 3,462 | 2,432 | 8,188 | 5,831 |
| Lithuania | 2,798 | 2,239 | 5,714 | 4,872 |
| Sweden | 4,216 | 1,667 | 17,982 | 10,639 |
| Denmark | 32,146 | 26,361 | 151,703 | 123,065 |
| Poland | 1,705 | 1,681 | 1,722 | 2,618 |
| Netherlands | 7,205 | 7,405 | 20,142 | 23,890 |
| Argentine Republic | 375 | 239 | 7,883 | 6,116 |
| Other foreign countries | 1,240 | 739 | 4,559 | 1,903 |
| Total | 112,642 | 95,312 | 600,473 | 565,051 |

Germany: Imports of butter by countries, June and January-June, 1934 and 1935

| Country | June | | Jan.-June | |
|---|---|---|---|---|
| | 1934 | 1935 | 1934 | 1935 |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Denmark | 1,728 | 2,144 | 13,408 | 25,333 |
| Netherlands | 2,208 | 1,447 | 14,932 | 12,139 |
| Sweden | 581 | 1,701 | 4,330 | 10,882 |
| Russia | 290 | 74 | 2,848 | 10,258 |
| Latvia | 542 | 514 | 5,009 | 5,577 |
| Finland | 565 | 306 | 2,275 | 4,101 |
| Estonia | 8 | 754 | 1,944 | 3,123 |
| Lithuania | 11 | 1 | 562 | 19 |
| Austria | 127 | 101 | 297 | 1,342 |
| Hungary | 179 | 81 | 835 | 693 |
| Argentina | 5 | --- | 52 | 2,177 |
| France | --- | 527 | --- | 1,075 |
| Other countries | 186 | 86 | 1,340 | 1,370 |
| Total | 6,430 | 7,736 | 47,832 | 78,089 |

United States: Imports for consumption and exports of dairy products, January-June, 1934 and 1935

| Commodity | Imports | | Exports | |
|---|---|---|---|---|
| | Jan.-June | | Jan.-June | |
| | 1934 | 1935 | 1934 | 1935 |
| | Pounds | Pounds | Pounds | Pounds |
| Condensed milk | 228,850 | 81,281 | 3,332,727 | 3,011,611 |
| Evaporated milk | 2,340 | 24,649 | 17,757,665 | 19,342,678 |
| Dried whole milk | 1,705 | 1,460,626 | 779,170 | 737,895 |
| Butter | 360,640 | 21,500,646 | 701,370 | 312,755 |
| Cheese | 22,991,533 | 23,904,588) | 636,489 | 603,754 |
| Swiss | 3,420,130 | 3,334,300) | | |
| All other | 19,571,403 | 20,570,288) | | |

British policy indicated

Governmental policy as affecting the British market for foreign butter in the near future is indicated in the following statement of the British Minister of Agriculture and Fisheries quoted from the August 1935 issue of "The Dairy", London.

"Replying to a question in the House of Commons recently as to whether he was in a position to make a statement on the policy of the Government regarding imports of milk products, Mr. Elliot (Minister of Agriculture and Fisheries) intimated that it was proposed to review fully the dairy produce situation before the provisions of the Milk Act, 1934, expired at the end of next March. 'I am, however,' he added, 'in a position to indicate generally the policy of the Government with regard to the problem created by butter and cheese imports. The Government are of opinion that if conditions should warrant continued assistance to the home industry, such assistance could best be afforded by a system of duties or levies. In addition, some regulation of the market may be desirable in the general interest of producers in certain cases or at particular times, but, as in the case of meat, the Government would not regard as a satisfactory permanent arrangement a system under which the responsibility for the regulation of the market would rest on them alone. In accordance with the Ottawa Agreements, the incidence of any duty or levy upon foreign and Empire supplies respectively would be so adjusted as to maintain the existing preferential margin. Milk powder and condensed milk (skimmed and whole) will receive separate consideration. An application for additional duties on foreign imports of these commodities has been submitted by home interests. Future policy with regard to both foreign and Dominion imports will be considered when the report of the Import Duties Advisory Committee on that application is received.' "

Butter: Price per pound in New York, San Francisco, Copenhagen, and London for one day each week during June, July, and August, with comparisons

| Market and description | 1935 | | | | | | | | | | | | 1934 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | June 6 | June 13 | June 20 | June 27 | July 5 | July 11 | July 18 | July 25 | Aug. 1 | Aug. 8 | Aug. 15 | Aug. 22 | Aug. 30 |
| | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. | Cts. |
| New York, 92 score | 25.5 | 24.5 | 23.5 | 23.5 | 24.0 | 24.0 | 23.5 | 24.0 | 24.8 | 24.8 | 25.2 | 25.2 | 28.0 |
| San Francisco," | 27.0 | 27.0 | 26.0 | 27.0 | 25.0 | 25.0 | 26.0 | 26.0 | 27.0 | 27.0 | 28.0 | 27.5 | 28.0 |
| Copenhagen, off. quotation | 15.8 | 16.4 | 16.8 | 16.8 | 16.4 | 16.5 | 17.1 | 18.1 | 18.6 | 18.6 | 18.7 | 18.6 | 18.8 |
| London: | | | | | | | | | | | | | |
| Danish | 21.6 | 22.4 | 22.5 | 22.5 | 22.0 | 22.0 | 22.6 | 23.9 | 24.4 | 24.3 | 24.0 | 24.2 | 24.4 |
| New Zealand | 18.4 | 19.0 | 19.6 | 19.8 | 19.5 | 19.8 | 19.8 | 20.5 | 20.7 | 20.9 | 21.0 | 21.2 | 18.2 |
| Dutch | 17.4 | 17.6 | 18.4 | 18.7 | 18.3 | 18.4 | 18.4 | 18.6 | 19.4 | 20.0 | 19.4 | 18.8 | 1/ |
| Estonian | 1/ | 17.2 | 17.6 | 18.5 | 18.1 | 18.3 | 18.2 | 19.0 | 1/ | 20.4 | 20.2 | 19.7 | 1/ |
| Latvian | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | 19.5 | 1/ | 1/ | 1/ | 1/ |
| Lithuanian | 16.7 | 16.9 | 17.6 | 18.3 | 17.9 | 17.8 | 18.1 | 18.7 | 19.5 | 19.8 | 19.7 | 19.2 | 1/ |
| Siberian | 17.0 | 17.6 | 18.3 | 18.5 | 18.2 | 18.4 | 18.1 | 19.3 | 19.5 | 19.5 | 19.5 | 19.2 | 1/ |

1/ No quotation.